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ROBINSON COTTON MILLS
LIMITED



Forty-Fifth Annual Report

Year ended December Thirty-First

1968



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ROBINSON COTTON MILLS LIMITED

TO THE SHAREHOLDERS:

The Directors present herewith the 45th Annual Report of your Company and the Financial and related Statements for the fiscal year ended December 31, 1968.

Your attention is directed to the Auditors Report and to the notes to the Financial Statements.

The revenue shown reflects rentals received and expenses recovered from the supplying of services to the Lessees of your Woodbridge mill buildings which are currently 93% rented.

Improvements were made in 1968 to open up additional areas for leasing and additional improvements are being made this year.

It is anticipated that these improvements will be reflected in an increased revenue from the buildings this year.

Your Directors express their appreciation to the management and employees for their full co-operation throughout the year.

On Behalf of the Board

W. H. ROBINSON

President and Managing Director

May 15, 1969

ROBINSON C

LIM
(Incorporated under the laws of the Province of Ontario)

Balance Sheet

December 31, 1968 and 1967

(with comparative figures for 1967)

ASSETS		1968	1967
CURRENT ASSETS:			
Cash and short-term deposit.....		\$ 23,735	\$ 34,882
Accounts receivable.....		30,403	28,372
Mortgage interest receivable.....		2,021	
Prepaid expenses.....		5,990	5,207
		<u>62,149</u>	<u>68,461</u>
7% MORTGAGE RECEIVABLE, maturing March 15, 1973.....		<u>99,000</u>	
FIXED ASSETS AT COST (note 1)			
Land.....		5,568	18,874
Buildings.....		785,206	785,206
Equipment.....		91,940	91,940
Trucks.....		12,664	11,638
		<u>895,378</u>	<u>907,658</u>
Less accumulated depreciation.....		<u>573,296</u>	<u>574,155</u>
		<u>322,082</u>	<u>333,503</u>
DEFERRED INCOME TAX CHARGES (note 3)			6,394
		<u>\$483,231</u>	<u>\$408,358</u>

APPROVED

W. W. ROBINSON, *Director*

AUDITOR

To the Shareholders of

ROBINSON COTTON MILLS LIMITED

We have examined the balance sheet of Robinson Cotton Mills Limited as at December 31, 1968 and the results of its operations and the statement of funds for the year then ended. Our examination included a general review of the supporting evidence as we considered necessary in the circumstances.

Subject to the omission of depreciation indicated in note 1, we report that the balance sheet of the company as at December 31, 1968 and the results of its operations and the statement of funds are in accordance with the generally accepted accounting principles applied on a basis consistent with that required for income taxes as set out in note 3, with which change we concur.

Toronto, Canada

January 30, 1969

OTTON MILLS

ATED
(the laws of Ontario)

Balance Sheet

December 31, 1968

(Assets at December 31, 1967)

LIABILITIES

	1968	1967
CURRENT LIABILITIES:		
Loan from director (note 2).....	\$220,000	\$340,000
Accounts payable and accrued liabilities.....	10,505	14,521
Income taxes payable.....	762	8,500
	<u>231,267</u>	<u>363,021</u>
DEFERRED INCOME TAXES (note 3).....	<u>1,178</u>	

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:

140,000 3% Non-cumulative preference shares, redeemable at
par value of \$5 per share

300,000 Common shares of no par value

Issued

150,000 Common shares.....

Deficit.....

292,000	292,000
41,214	246,663
<u>250,786</u>	<u>45,337</u>
<u>\$483,231</u>	<u>\$408,358</u>

BY THE BOARD

W. H. ROBINSON, *Director*

MANAGEMENT'S REPORT

December 31, 1968 and the statements of income, deficit and source and application of the accounting procedures and such tests of accounting records and other

in our opinion these financial statements present fairly the financial position of source and application of its funds for the year then ended, in accordance with of the preceding year after giving effect in that year to the change in accounting

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

ROBINSON COTTON MILLS

LIMITED

STATEMENT OF INCOME

Year ended December 31, 1968
(with comparative figures for 1967)

	1968	1967
Revenue	✓ \$428,784	✓ \$369,298
Expenses:		
Depreciation, trucks and equipment	1,101	288
Other expenses	<u>389,282</u>	<u>318,517</u>
	<u>390,383</u>	<u>318,805</u>
Income before undernoted items	38,401	50,493
Interest earned	<u>8,975</u>	<u>4,280</u>
Income before income taxes	<u>47,376</u>	<u>54,773</u>
Income taxes (note 3):		
Current	7,075	8,500
Deferred	<u>7,572</u>	<u>9,834</u>
	<u>14,647</u>	<u>18,334</u>
Income before extraordinary item	32,729	36,439
Extraordinary item:		
Gain on sale of land	<u>172,720</u>	
NET INCOME FOR THE YEAR	✓ <u>\$205,449</u>	<u>\$ 36,439</u>

STATEMENT OF DEFICIT

Year ended December 31, 1968
(with comparative figures for 1967)

	1968	1967
Deficit at beginning of year		
As previously reported	\$253,057	\$299,329
Adjustment for deferred income taxes (note 3)	<u>6,394</u>	<u>16,228</u>
As restated	246,663	283,101
Net income for the year	<u>205,449</u>	<u>36,439</u>
	41,214	246,662
Investment in Pinacle Homes (Chateaugay) Ltd. written off		1
DEFICIT AT END OF YEAR	<u>\$ 41,214</u>	<u>\$246,663</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1968
(with comparative figures for 1967)

	1968	1967
SOURCE OF FUNDS:		
Operations		
Net income for the year	\$205,449	\$ 36,439
Add items not involving a current outlay of funds		
Deferred income taxes	7,572	9,834
Depreciation	<u>1,101</u>	<u>288</u>
	<u>214,122</u>	<u>46,561</u>
Profit on sale of land	<u>172,720</u>	
	41,402	46,561
Proceeds on sale of land, net of mortgage, \$100,000	86,026	
Repayment on principal of mortgage	<u>1,000</u>	
	<u>128,428</u>	<u>46,561</u>
APPLICATION OF FUNDS		
Additions to fixed assets	2,986	
DECREASE IN WORKING CAPITAL DEFICIENCY	<u>125,442</u>	<u>46,561</u>
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR	<u>294,560</u>	<u>341,121</u>
WORKING CAPITAL DEFICIENCY AT END OF YEAR	<u>\$169,118</u>	<u>\$294,560</u>

ROBINSON COTTON MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1968

1. Since 1960 no depreciation has been provided on the mill building. Normal depreciation would have been as follows:

1968.....	\$ 10,961
1967.....	11,538
Prior years.....	83,158
	<u>\$105,657</u>

2. By reason of a demand made by Canadian Imperial Bank of Commerce, W. W. Robinson, one of the guarantors of a bank loan made to the company in November, 1964, has taken over the position of such bank and the securities for the loan held by such bank. The loan carries interest at current bank rates.

3. In prior years the company has charged earnings with income taxes currently payable. In 1968 the company has changed its basis of accounting for income taxes to reflect the deferred tax effect resulting from claiming capital cost allowances in amounts differing from depreciation recorded in the accounts. The accumulated effect for prior years has been recorded by credit to "Deficit" and a charge to "Deferred income tax charges". 1967 figures in the financial statements have been restated and are shown as though the change to the new basis of recording income taxes had been made at the beginning of 1967.

4. There is a balance to the credit of the company of \$68,952 with Sun Life Assurance Company of Canada which is not included among the assets in the accompanying balance sheet. This balance has arisen through withdrawals from the company's pension plan and may be utilized by the application of premiums due. The extent to which it is otherwise recoverable has yet to be determined.

5. Direct remuneration of directors and senior officers (as defined by The Corporations Act):

	1968	1967
Director.....	\$15,668	\$15,548
Other employees.....	35,303	34,452
	<u>\$50,971</u>	<u>\$50,000</u>

ROBINSON COTTON MILLS LIMITED

ANNUAL REPORT
for the
Year ended December 31, 1968

BOARD OF DIRECTORS

W. W. ROBINSON
F. SLATER

W. H. ROBINSON
W. W. BURKART

OFFICERS

W. W. ROBINSON	-	-	-	-	-	-	-	-	-	-	<i>Chairman</i>
W. H. ROBINSON	-	-	-	-	-	-	-	-	-	-	<i>President and Managing Director</i>
W. W. BURKART	-	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
JOHN F. PERRETT, Q.C.	-	-	-	-	-	-	-	-	-	-	<i>Secretary</i>

BANKERS

THE CANADIAN IMPERIAL BANK OF COMMERCE

TRANSFER AGENTS AND REGISTRARS

NATIONAL TRUST COMPANY LIMITED

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON

SOLICITORS

ROBERTSON, LANE, PERRETT, FRANKISH AND ESTEY